13

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA

v.

LAWRENCE YOUNG, D.P.M.

Defendant.

_______________________________/

Case:5:17-cr-20240
Judge: Levy, Judith E.
MJ: Patti, Anthony P.
Filed: 04-11-2017 At 04:22 PM
INDI USA V. SEALED MATTER (DA)

VIO: 18 U.S.C. § 1347
18 U.S.C. § 2
18 U.S.C. § 981
18 U.S.C. § 982

INDICTMENT

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The Medicare Program

1. The Medicare program was a federal health care program providing benefits to persons who were over the age of 65 or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services (CMS), a federal agency under the United States Department of Health and Human Services. Individuals who received benefits under Medicare were referred to as Medicare "beneficiaries."

2. Medicare was a "health care benefit program," as defined by 18 U.S.C. § 24(b).

3. The Medicare program included coverage under two primary components—hospital insurance (Part A) and medical insurance (Part B). Part A covered physical therapy, occupational therapy, and skilled nursing services if a facility was certified by CMS as meeting certain requirements. Part B covered the cost of physicians' services and other ancillary services not covered by Part A.

4. Wisconsin Physicians Service (WPS) was the CMS contracted carrier for Medicare Part B, which included in-house podiatry services, in the state of Michigan. TrustSolutions LLC was the Program Safeguard Contractor for Medicare Part A and Part B in the state of Michigan until April 24, 2012, when it was replaced by Cahaba Safeguard Administrators LLC as the Zone Program Integrity Contractor (ZPIC). The ZPIC was the contractor charged with investigating fraud, waste and abuse. Cahaba was replaced by AdvanceMed in May 2015.

5. Physicians, clinics, and other health care providers that provided services to Medicare beneficiaries were able to apply for and obtain a Medicare "provider number." A health care provider who was issued a Medicare provider number was able to file claims with Medicare to provide reimbursement for services provided to beneficiaries. A Medicare claim was required to set forth,

among other things, the beneficiary's name, the date the services were provided, the cost of the services, and the name and identification number of the physician or other health care provider who had ordered the services.

6. By becoming a participating provider in Medicare, enrolled providers agreed to abide by the policies and procedures, rules, and regulations governing reimbursement. In order to receive Medicare funds, enrolled providers, together with their authorized agents, employees, and contractors, were required to abide by all the provisions of the Social Security Act, the regulations promulgated under the Act, and applicable policies, procedures, rules, and regulations issued by CMS and its authorized agents and contractors. Health care providers were given and provided with online access to Medicare manuals and services bulletins describing proper billing procedures and billing rules and regulations.

7. Medicare Part B regulations required health care providers enrolled with Medicare to maintain complete and accurate medical records reflecting the medical assessment and diagnoses of their patients, as well as records documenting actual treatment of the patients to whom services were provided and for whom claims for payment were submitted by the physician. These records were required to be sufficient to permit Medicare, through WPS and other contractors, to review the appropriateness of Medicare payments made to the health care provider under the Part B program.

8. In order to receive reimbursement for a covered service from Medicare, a provider was required to submit a claim, either electronically or using a form (e.g., a CMS-1500 form or UB-92), containing the required information appropriately identifying the provider, patient, and services rendered.

9. When an individual medical provider was associated with a clinic, Medicare Part B required that the individual provider number associated with the clinic be placed on the claim submitted to the Medicare contractor.

10. Providers could only submit claims to Medicare for services they rendered and that were medically necessary, and providers were required to maintain patient records to verify that the services were provided as described on the claim form.

Medical Coding

11. The American Medical Association assigns and publishes numeric codes, known as the Current Procedural Terminology ("CPT") and Health Care Procedure Common Coding System ("HCPCS") codes. The codes are a systematic listing, or universal language, used to describe the procedures and services performed by health care providers.

12. The procedures and services represented by the CPT and HCPCS codes are health care benefits, items, and services within the meaning of 18 U.S.C. § 24(b). They include codes for office visits, diagnostic testing and evaluation, and

other services. Health care providers use CPT and HCPCS codes to describe the services rendered in their claims for reimbursement to health care benefit programs.

13. Health care benefit programs, including Medicare, use these codes to understand and evaluate the claims submitted by providers and to decide whether to issue or deny payment. Each health care benefit program establishes a fee or reimbursement level for each service described by a CPT or HCPCS code.

14. CPT Codes 28232 and 28234 are procedures often performed to repair hammer toes. A small incision is made on the crease of the toe on the bottom of the foot exposing the tendon. The tendon is released from its attachment site allowing the toe to extend. The incision is closed with sutures and a soft dressing is applied.

15. CPT Code 29580 is the application of an Unna Boot. An Unna boot is a dressing typically used to control leg swelling after surgery or when a patient has poor lower leg circulation. The physician evenly applies a dressing (typically from top of foot to just below the knee) that contains a zinc oxide, gelatin, and glycerin paste. Additional bandages and paste are applied over the first layer to provide rigidity and reinforcement. This particular dressing is typically replaced by a physician or member of his/her staff at least once a week.

16. CPT Code 20605 requires a needle to be inserted through the skin into a joint or a fluid-filled sac or saclike cavity. This procedure can be an injection of local anesthetic or pain medication, or the removal of fluid. With injections, the amount and type of medication used must be documented.

The Physician Businesses

17. Dearborn Podiatric Surgeons P.C. (Dearborn) was a Michigan private corporation, organized in or around January 1974, doing business at 22161 West Outer Drive, Dearborn, Michigan, 48124. Dearborn was enrolled as a participating provider with Medicare and submitted claims directly to Medicare since on or about November 9, 1995.

18. Georgetown Podiatric Surgeons, P.C. (Georgetown) was a Michigan private corporation, organized in or around July 1979, doing business at 3058 Metro Parkway, Suite 206, Sterling Heights, Michigan 48310. Georgetown was enrolled as a participating provider with Medicare and submitted claims directly to Medicare since on or about June 17, 1992.

The Defendant

19. Defendant LAWRENCE YOUNG, D.P.M., a resident of Wayne County, Michigan, was a licensed physician who was enrolled as a participating provider with Medicare. LAWRENCE YOUNG, D.P.M., owned and operated

Dearborn and Georgetown and purportedly provided podiatric services to patients of those companies.

COUNTS 1-6
(18 U.S.C. § 1347 and § 2—Health Care Fraud)

20. Paragraphs 1 through 19 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

21. On or about the dates enumerated below, in Wayne County, in the Eastern District of Michigan, and elsewhere, LAWRENCE YOUNG, D.P.M., in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of Medicare, in connection with the delivery of and payment for health care benefits, items, and services.

Purpose of the Scheme and Artifice

22. It was the purpose of the scheme and artifice for LAWRENCE YOUNG, D.P.M. to unlawfully enrich himself, by, among other things: (a) submitting and causing the submission of false and fraudulent Medicare claims for

services that were not rendered or not medically necessary; (b) concealing the submission of false and fraudulent claims to Medicare and receipt and transfer of fraud proceeds; and (c) diverting fraud proceeds for his personal use and benefit.

The Scheme and Artifice

23. The manner and means of LAWRENCE YOUNG, D.P.M.'s scheme and artifice was as follows:

24. Beginning at least as early as 1992, LAWRENCE YOUNG, D.P.M. falsely certified to Medicare that he would comply with all Medicare Rules and Regulations, including that he would not knowingly present or cause to be presented, a false and fraudulent claim for payment by Medicare.

25. Thereafter, LAWRENCE YOUNG, D.P.M. devised and engaged in a scheme to charge Medicare for: (a) medically unnecessary podiatry services; and (b) podiatry services that were not provided.

26. LAWRENCE YOUNG, D.P.M. would tell his Medicare patients they needed regular visits to prevent hammer toe. These patients would then return to his practice on a weekly or bi-weekly basis for injections, billed under CPT Code 20605, and Incisions, billed under CPT Codes 28270, 28232, 28234, and 28240. DR. LAWRENCE YOUNG submitted or caused the submission of claims to Medicare for more than $11.2 million for these medically unnecessary procedures.

27. DR. LAWRENCE YOUNG regularly submitted or caused the submission of false and fraudulent claims to Medicare for "Strapping, Unna Boot," CPT Code 29580, even though his patients routinely received nothing more than minimal Ace bandage wrapped around the ball of the foot that was not medicated. DR. LAWRENCE YOUNG submitted or caused the submission of claims to Medicare for more than $1 million for these services, which were never provided.

Acts in Execution of the Scheme and Artifice

28. On or about the dates specified as to each count below, in Wayne County, in the Eastern District of Michigan, and elsewhere, LAWRENCE YOUNG, D.P.M., in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud a health care benefit program affecting commerce, that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of said health care benefit program:

Count	Medicare Beneficiary	Approx Date of Service	Approx Date of Claim	Description of Items Billed	Principle Diagnosis	Approx Amount Billed to Medicare
1	E.F.	6/26/2013	6/27/2013	Incision to lengthen toe tendon, open procedure (28232)	Other Hammer Toe (7354)	$500.00
2	E.F.	4/13/2016	4/14/2016	Incision to lengthen toe tendon, open procedure (28232)	Other Hammer Toe (7354)	$500.00
3	S.Y.	1/24/2013	1/25/2013	Strapping, Unna boot (29580)	Villonod synovit-ankle (71927)	$75.00
4	S.Y.	9/24/2015	9/25/2015	Incision to lengthen toe tendon, open procedure (28232)	Other Hammer Toe (7354)	$500.00
5	S.Y.	5/19/2016	5/20/2016	Aspiration and/or injection of medium joint or joint capsule (20605)	Other synovitis and tenosynovitis, right ankle and foot (M65871)	$80.00
6	S.Y.	6/9/2016	6/10/2016	Incision of joint capsule of foot and toe (28270)	Contracture, unspecified joint (M2540)	$500.00

In violation of Title 18, United States Code, Sections 1347 and 2.

FORFEITURE ALLEGATIONS

(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461;
18 U.S.C. § 982(a)(7)—Criminal Forfeiture)

29. The above allegations contained in this Indictment are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Sections 981 and 982, and Title 28, United States Code, Section 2461.

30. As a result of the violations of Title 18, United States Code, Sections 1347, as set forth in this Indictment in Counts 1-6, LAWRENCE YOUNG, D.P.M. shall forfeit to the United States any property, real or personal, that constitutes or is derived from any proceeds obtained, directly or indirectly, as a result of such violation, pursuant to 18 U.S.C. § 982(a)(7) and 18 U.S.C. § 981(a)(1)(C), as incorporated by 28 U.S.C. § 2461.

31. Substitute Assets: If the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

- cannot be located upon the exercise of due diligence;
- has been transferred or sold to, or deposited with, a third party;
- has been placed beyond the jurisdiction of the Court;
- has been substantially diminished in value; or
- has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b) and/or 28 U.S.C. § 2461, to seek to forfeit any other property of the defendant up to the value of the forfeitable property described above.

THIS IS A TRUE BILL.

s/Grand Jury Foreperson
Grand Jury Foreperson

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Dated: April 11, 2017

United States District Court Eastern District of Michigan	**Criminal Case C**

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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to

Companion Case Information	**Companion Case Number:**
This may be a companion case based upon **LCrR 57.10 (b)(4)**[1]:	**Judge Assigned:**
☐ **Yes** ☐ **No**	**AUSA's Initials:**

Case Title: USA v. Lawrence Young

County where offense occurred : Wayne and Macomb

Check One: ☒ **Felony** ☐ **Misdemeanor** ☐ **Petty**

✓ Indictment/____Information --- **no** prior complaint.
____Indictment/____Information --- based upon prior complaint [**Case number:**]
____Indictment/____Information --- based upon **LCrR 57.10 (d)** ***[Complete Superseding section below]***.

Superseding Case Information

Superseding to Case No: ________________ **Judge:** ________________

☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:

Defendant name	**Charges**	**Prior Complaint (if applicable)**

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

4/11/2017
Date

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[1] Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.